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JEFFERSON PERFORMING ARTS SOCIETY

FINANCIAL REPORT

JUNE 30, 2004 and 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2-2-05

JEFFERSON PERFORMING ARTS SOCIETY

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RODRIGUEZ & CO., APC
Certified Public Accountants
A Professional Corporation

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Society of Louisiana Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jefferson Performing Arts Society

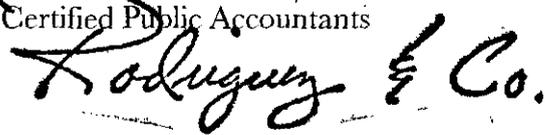
We have audited the accompanying statements of financial position of Jefferson Performing Arts Society (the Company) (a nonprofit organization) as of June 30, 2004 and 2003, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Performing Arts Society as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2004, on our consideration of Jefferson Performing Arts Society's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Rodriguez & Co., APC
Certified Public Accountants



December 23, 2004

JEFFERSON PERFORMING ARTS SOCIETY

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2004 and 2003

ASSETS

	<u>2004</u>	<u>2003</u>
Current Assets		
Cash and cash equivalents	\$ 40,404	\$ 99,552
Investments (Note 3)	90,931	81,853
Accounts receivable	34,177	24,429
Prepaid expenses	15,764	14,993
Unconditional promise to give (Note 4)	<u>31,429</u>	<u>15,567</u>
 Total Current Assets	 212,705	 236,394
 Assets restricted to investment in property, furniture and equipment at cost, less accumulated depreciation (Note 5)	 145,278	 156,665
 Long - term unconditional promise to give (Note 4)	 <u>219,944</u>	
 Total Assets	 <u>\$ 577,927</u>	 <u>\$ 393,059</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 20,978	\$ 14,847
Bank line of credit (Note 6)	4,486	18,925
Unearned revenue (Note 7)	34,550	19,561
Mortgage payable	<u>7,512</u>	<u>6,554</u>
 Total Current Liabilities	 67,526	 59,887
 Mortgage payable, net of current maturities (Note 9)	 <u>64,430</u>	 <u>72,165</u>
 Total Liabilities	 <u>131,956</u>	 <u>132,052</u>
 Net Assets		
Unrestricted	103,667	163,587
Temporarily restricted by donors (Note 10)	251,373	15,567
Permanently restricted by donors (Note 11)	<u>90,931</u>	<u>81,853</u>
 Total Net Assets	 <u>445,971</u>	 <u>261,007</u>
 Total Liabilities and Net Assets	 <u>\$ 577,927</u>	 <u>\$ 393,059</u>

(See accompanying notes to financial statements)

**JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2004 and 2003**

2004

2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support, Revenues and Reclassifications								
Public support:								
Contributions	\$ 333,224	\$ 256,983		\$ 590,207	\$ 154,835		\$ 1,100	\$ 155,935
Grant - Jefferson Parish	133,333			133,333	300,000			300,000
Grant - State of Louisiana	115,673			115,673	115,834			115,834
Program sponsorship	1,250			1,250	6,000			6,000
Total Public Support	583,480	256,983		840,463	576,669		1,100	577,769
Revenues:								
Program service revenue	607,416			607,416	593,731			593,731
Membership dues	6,045			6,045	5,246			5,246
Investment income (Note 3)	207		\$ 1,536	1,743	509		797	1,306
Unrealized gain (Note 3)			7,824	7,824			1,812	1,812
Miscellaneous	12,909			12,909	10,867			10,867
Total revenue	626,577		9,360	635,937	610,353		2,609	612,962
Reclassifications:								
Net assets released from restrictions (Note 10)								
Expiration of time restrictions	21,177	(21,177)			19,615	\$ (19,615)		
Total Reclassifications	21,177	(21,177)			19,615	(19,615)		
Total Public Support, Revenues and Reclassifications	1,231,234	235,806	9,360	1,476,400	1,206,637	(19,615)	3,709	1,190,731

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2004 and 2003

2004

2003

	2004			2003				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses								
Program Services (Note 13)	\$ 1,028,645			\$ 1,028,645	\$ 823,826			\$ 823,826
Total Program Services	<u>1,028,645</u>			<u>1,028,645</u>	<u>823,826</u>			<u>823,826</u>
Supporting Services:								
Management and general	213,311		\$ 282	213,593	199,939		\$ 545	200,484
Fund Raising	<u>49,198</u>			<u>49,198</u>	<u>54,141</u>			<u>54,141</u>
Total Supporting Services	<u>262,509</u>		<u>282</u>	<u>262,791</u>	<u>254,080</u>		<u>545</u>	<u>254,625</u>
Total Expenses	<u>1,291,154</u>		<u>282</u>	<u>1,291,436</u>	<u>1,077,906</u>		<u>545</u>	<u>1,078,451</u>
Increase (Decrease) in Net Assets	(59,920)	\$ 235,806	9,078	184,964	128,731	\$ (19,615)	3,164	112,280
Net assets at beginning of year	<u>163,587</u>	<u>15,567</u>	<u>81,853</u>	<u>261,007</u>	<u>34,856</u>	<u>35,182</u>	<u>78,689</u>	<u>148,727</u>
Net assets at end of year	<u>\$ 103,667</u>	<u>\$ 251,373</u>	<u>\$ 90,931</u>	<u>\$ 445,971</u>	<u>\$ 163,587</u>	<u>\$ 15,567</u>	<u>\$ 81,853</u>	<u>\$ 261,007</u>

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

**STATEMENTS OF CASH
FLOWS**

FOR THE YEARS ENDED JUNE 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from Jefferson Parish grant	\$ 133,333	\$ 300,000
Cash received from State of Louisiana grant	115,623	103,480
Cash collected from contributions and program sponsorship	312,009	153,950
Cash received from program services	627,738	559,417
Cash received from members for dues	6,045	5,246
Investment income received	207	509
Other cash received	12,909	10,867
Salaries	(334,698)	(321,642)
Fringe benefits	(82,690)	(67,224)
Professional fees and contract services	(320,691)	(260,025)
Supplies and materials	(111,941)	(86,802)
Telephone	(13,746)	(11,584)
Postage and shipping	(26,696)	(19,948)
Occupancy	(28,860)	(31,671)
Rental and maintenance of equipment	(94,880)	(75,168)
Printing, publications and visual aids	(19,259)	(24,854)
Travel, conferences, conventions and meetings	(45,182)	(16,003)
Miscellaneous	(46,459)	(35,720)
Interest	(5,931)	(9,744)
Promotion and advertising	<u>(114,763)</u>	<u>(79,908)</u>
 Net cash provided (used) by operating activities	 <u>(37,932)</u>	 <u>93,176</u>
 Cash flows from investing activities:		
Acquisition of fixed assets		<u>(6,514)</u>
 Net cash used by investing activities		 <u>(6,514)</u>
 Cash flows from financing activities:		
Proceeds of credit line advance	14,486	39,325
Payments on mortgage payable	(6,777)	(6,052)
Payments on credit line	<u>(28,925)</u>	<u>(60,000)</u>
 Net cash used by financing activities	 <u>(21,216)</u>	 <u>(26,727)</u>
 Net increase (decrease) in cash	 (59,148)	 59,935
 Cash - beginning of year	 <u>99,552</u>	 <u>39,617</u>
 Cash - end of year	 <u>\$ 40,404</u>	 <u>\$ 99,552</u>

(See accompanying financial statements)

JEFFERSON PARFORMING ARTS SOCIETY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2004 and 2003

	2004	2003
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 184,964	\$ 112,280
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	11,387	12,225
Net unconditional promises to give	(235,806)	19,615
Increase in receivables	(9,748)	(19,816)
Increase in prepaid expenses	(901)	(9,514)
Increase in accounts payable	6,131	8,400
Transfers to endowment fund		(1,100)
Increase (decrease) in unearned revenue	14,989	(26,850)
Unrealized gains on investments in endowment	(7,824)	(1,812)
Income earned by endowment	(1,536)	(797)
Administration fees in endowment	412	545
Net cash provided (used) by operating activities	\$ (37,932)	\$ 93,176
Supplemental data:		
Interest paid	\$ 5,931	\$ 9,744

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY
STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2004 and 2003

	2004			2003		
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Salaries	\$ 228,665	\$ 66,912	\$ 39,121	\$ 205,343	\$ 72,299	\$ 44,000
Employee benefits and payroll taxes	56,494	16,531	9,665	42,917	15,111	9,196
Total salaries and related expenses	285,159	83,443	48,786	248,260	87,410	53,196
Professional fees and contract services	291,501	32,628	324,129	230,395	21,861	252,256
Supplies and materials	89,553	22,388	111,941	69,442	17,360	86,802
Telephone	10,914	2,729	13,643	9,870	2,468	12,338
Postage and shipping	25,893	25,893	25,893	21,219	12,246	21,219
Occupancy	47,519	11,880	59,399	48,983	12,246	61,229
Rental and maintenance of equipment	82,805	12,835	95,640	70,464	6,823	77,287
Printing, publications and visual aids	11,903	7,356	19,259	12,332	12,522	24,854
Travel, conferences, conventions and meetings	33,042	12,140	45,182	6,674	9,329	16,003
Miscellaneous	35,593	3,501	39,506	26,279	2,651	29,875
Membership dues		3,661	3,661		3,209	3,209
Interest		5,931	5,931		9,744	9,744
Volunteer expenses		3,714	3,714		2,636	2,636
Promotion and advertising	114,763		114,763	79,908		79,908
Depreciation and amortization		11,387	11,387		12,225	12,225
	\$ 1,028,645	\$ 213,593	\$ 49,198	\$ 823,826	\$ 200,484	\$ 54,141
			\$ 1,291,436			\$ 1,078,451

(See accompanying notes to financial statements)

JEFFERSON PERFORMING ARTS SOCIETY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF PURPOSE

Jefferson Performing Arts Society (JPAS) is one of Louisiana's fastest growing and Jefferson Parish's largest multi-dimensional arts organization. Through numerous associated activities, JPAS offers members of the metropolitan New Orleans community an opportunity for cultural enrichment, arts education, and professional entertainment in symphonic and vocal music, theater, dance, and children's programs. JPAS offers the young person as well as the adult an opportunity for personal growth and artistic expression through these activities. JPAS provides the artist as well as the audience the cultural nurturing necessary to create the whole person. Finally, it is the dream of JPAS to serve as the catalyst to construct a major facility from which to present its programs and enhance the quality of life in this community.

ASSOCIATED ACTIVITIES

JPAS Symphony Orchestra
JPAS Chamber Orchestra
JPAS Symphony Chorus
JPAS Children's Chorus and Youth Chorale
JPAS Ballet
Arts Adventure Series
JPAS Theatre Wing
JPAS Broadway Pit Orchestra
JPAS Opera Theater
"SWAT" Stage Without a Theatre
Cultural Crossroads
JPAS Summer Musical Theatre Workshops

The financial statements of Jefferson Performing Arts Society are prepared on the accrual basis of accounting and in accordance with the recommendations of the American Institute of Certified Public Accountants. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements, and relates to the timing of the measurements made. The significant accounting policies followed are described below:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Organization

Jefferson Performing Arts Society is a non-profit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code of 1986, and qualifies as an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is exempt from Louisiana income tax under the authority of R.S.47:121 (5).

b) Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

c) Property, Furniture, Equipment, and Leasehold Improvements

All property, furniture, equipment and leasehold improvements are recorded at cost. Furniture and equipment depreciation is computed using different basis over estimated useful lives of 5 to 7 years. Leasehold improvements are depreciated over an estimated useful life of 10 years. The building is depreciated over an estimated useful life of 39 years.

d) In – Kind Support

JPAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana under a long-term lease. An annual rental of \$1 is paid by JPAS. The estimated approximate fair value of the annual rental is \$33,000 and it is included in the statement of activities as public support and expenses.

JPAS also occupies the auditorium at East Jefferson High School for scheduled performance dates throughout the fiscal year. No rent is paid by JPAS for the long-term agreement that extends to September 1, 2004. No amounts have been recognized in the accompanying statement of activities because no criteria for recognition of such in-kind support has been satisfied under SFAS No. 116, Accounting for Contributions Received and Contributions Made. The in-kind support of the Jefferson Parish School Board includes the use of the facility and all costs and expenses associated with the use of the facility by JPAS for any and all events scheduled by it. The amount of the support is not readily determinable on an annual basis.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Income Taxes

Jefferson Performing Arts Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, Jefferson Performing Arts Society has made no provision for federal income taxes in the accompanying financial statements. In addition, Jefferson Performing Arts Society has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 501(a) of the Internal Revenue Code.

f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates.

g) Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

h) Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

i) Investments

Investments are composed of mutual funds invested in equity securities and are carried at fair value.

NOTE 2 – DONATED SERVICES

The value of donated volunteer services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time in the JPAS program service area.

NOTE 3 – INVESTMENTS

Investments as of June 30, 2004 and 2003 are summarized as follows:

	<u>2004</u>			<u>2003</u>		
	<u>COST</u>	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>	<u>COST</u>	<u>FAIR VALUE</u>	<u>CARRYING VALUE</u>
Permanently Restricted:						
Endowment Fund						
Investments	\$75,441	\$90,931	\$90,931	\$75,441	\$81,853	\$81,853

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2004 and 2003:

	<u>2004</u>			<u>2003</u>		
	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$ 207	\$ 1,536	\$1,743	\$ 509	\$ 797	\$ 1,306
Unrealized gains		7,824	7,824		1,812	1,812
Total investment						
Return	\$ 207	\$ 9,360	\$9,567	\$ 509	\$ 2,609	\$ 3,118

NOTE 4 – UNCONDITIONAL PROMISE TO GIVE

JPAS occupies an office at 1118 Clearview Parkway in Metairie, Louisiana. An annual rental of \$1 is paid by JPAS under a long – term lease. The lease was renewed for ten years effective April 15, 2004. The estimated approximate fair value of the annual rental is \$33,000 under the new lease and \$27,600 under the old lease. The new lease represents an unconditional promise to give by the Parish of Jefferson to JPAS for the next ten years. This unconditional promise to give at June 30, 2004 and 2003, is as follows:

	<u>2004</u>	<u>2003</u>
Receivable in less than one year	\$ 33,000	\$ 23,000
Receivable in more than one year	291,390	
Total Unconditional Promise To Give	324,390	23,000
Less discounts to net present value	(73,017)	(7,433)
Net Unconditional Promise To Give at June 30, 2004	\$ 251,373	\$ 15,567

NOTE 5 – PROPERTY, FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, furniture, equipment and leasehold improvements at cost, and accumulated depreciation at June 30, 2004 and 2003 are summarized as follows:

	<u>2004</u>	<u>2003</u>
Equipment and furniture	\$ 213,184	\$ 213,184
Leasehold improvements	67,230	67,230
Land	112,341	112,341
Building	<u>29,863</u>	<u>29,863</u>
	422,618	422,618
Less accumulated depreciation	(<u>277,340</u>)	(<u>265,953</u>)
Net book value	<u>\$ 145,278</u>	<u>\$ 156,665</u>

NOTE 6 – BANK LINE OF CREDIT

The Company has a bank line of credit which provides short-term borrowings up to \$100,000. Interest and principle on advances is payable monthly at the prime rate plus 1%, not to exceed a maximum annual rate of 21%. The outstanding balance is \$4,486 as of June 30, 2004 and \$18,925 as of June 30, 2003.

NOTE 7 – UNEARNED REVENUE

A summary of unearned revenue follows:

	<u>2004</u>	<u>2003</u>
Ticket sales for performances and events in the next fiscal year	\$ <u>34,550</u>	\$ <u>19,561</u>

NOTE 8 – LEASE COMMITMENTS

On May 18, 1994, JPAS signed a lease with the Parish of Jefferson for Parish owned property at 1118 Clearview Parkway. The term of the lease is for 10 years commencing on April 15, 1994, with an annual consideration of \$1 payable on each anniversary date. The lease was renewed for an additional ten years on April 14, 2004.

JPAS did not occupy these premises until October 1994. Future minimum lease payments under this noncancellable operating lease are as follows:

April 15, 2005 through April 14, 2014 \$ 9

NOTE 9 – MORTGAGE PAYABLE

JPAS is the maker of a mortgage note payable in the original amount of \$77,022 at 6% per annum interest. The mortgage is to be paid in equal monthly installments of \$973, which includes principal and interest. The note is secured by a first mortgage on the land and building located at 1122 Clearview Parkway. As of June 30, 2004, the principal balance of the note is \$71,942, of which \$7,512 is due within the next twelve months. As of June 30, 2004, the note is in current condition.

Maturities of the mortgage payable for each of the next five years and thereafter are as follows:

2004-2005	\$ 7,512
2005-2006	7,975
2006-2007	8,467
2007-2008	8,989
2008-2009	9,543
Thereafter	<u>29,456</u>
	\$ <u>71,942</u>

NOTE 10 – TEMPORARY RESTRICTIONS ON ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or designated for subsequent periods. At June 30, 2004 and 2003, temporarily restricted net assets are available for the following purposes or periods:

	<u>2004</u>	<u>2003</u>
Jefferson Parish building rental due for subsequent periods	\$ <u>251,373</u>	\$ <u>15,567</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2004</u>	<u>2003</u>
Time restrictions expired on lease of 1118 Clearview Parkway	\$ <u>21,177</u>	\$ <u>19,615</u>

NOTE 11 – PERMANENT RESTRICTIONS ON ASSETS

Net assets were permanently restricted for the formation of an endowment fund. The purpose of the endowment fund is to provide a perpetual source of money to assure the future growth and health of Jefferson Performing Arts Society. At June 30, 2004 and 2003, permanently restricted net assets totaled \$90,931 and \$81,853 respectively.

NOTE 12 -- CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES

JPAS receives a grant from the Parish of Jefferson which comprises a significant portion of its revenue.

NOTE 13 -- PROGRAM SERVICES

Program services include activities conducted year round with the JPAS Symphony Orchestra, JPAS Children’s Chorus and Youth Chorale, Arts Adventure Series, Cultural Crossroads, SWAT, JPAS Theatre Wing, JPAS Chamber Orchestra, JPAS Symphony Chorus, JPAS Opera Theatre, JPAS Broadway Pit Orchestra and JPAS Summer Musical Theatre Workshops.

Also during the year program concerts and shows are held for the general public and student population to further appreciation of the arts in the community. These events are held as either one or several performances.

NOTE 14 - - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

SPECIAL REPORTS OF INDEPENDENT AUDITOR

RODRIGUEZ & CO., APC
Certified Public Accountants
A Professional Corporation

Greg Rodriguez, CPA
Ronald L. Rodriguez, Jr., CPA

Members
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,
Jefferson Performing Arts Society

We have audited the financial statements of Jefferson Performing Arts Society (the Company) (a nonprofit organization) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

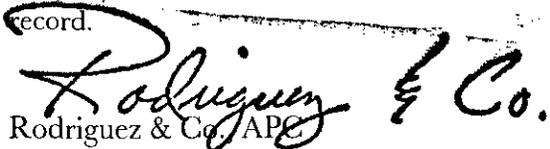
Compliance

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of Jefferson Performing Arts Society's management and the Legislative Audit Advisory Committee. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Rodriguez & Co., APC
Certified Public Accountants

December 23, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2004

We have audited the financial statements of Jefferson Performing Arts Society (JPAS) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 23, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States. Our audit of the financial statements as of June 30, 2004, resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses – None

Reportable Conditions – None

Compliance

Compliance Material to Financial Statements – No

b. Federal Awards

JPAS did not receive federal awards during the year ended June 30, 2004.

Section II Financial Statement Findings

There were no financial statement findings during the fiscal year ended June 30, 2004.

Section III Federal Award Findings and Questioned Costs

JPAS did not receive federal awards during the year ended June 30, 2004.

SPECIAL REPORTS OF MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2004

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

JPAS had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

JPAS did not receive federal awards during the year ended June 30, 2003.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2003.

MANAGEMENT CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2004

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

JPAS had no material weaknesses or reportable conditions in internal control. Also, there were no compliance issues material to the financial statements.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

JPAS did not receive federal awards during the year ended June 30, 2003.

SECTION III MANAGEMENT LETTER

There was no management letter issued for the audit year ended June 30, 2003.